

EAST HERTS COUNCIL

EXECUTIVE – 6 NOVEMBER 2012

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC DEVELOPMENT

EAST HERTS PAY BY PHONE SERVICE ('RINGGO')

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To confirm an extension to the provision of the Council's car park 'pay by phone' service.
- To secure funding for a change to the terms of this service, whereby it will be offered free of charge to the user.

RECOMMENDATIONS FOR EXECUTIVE: That:

(A)	the current agreement with Cobalt Telephone Technologies be extended until the end of 2012/13, and
(B)	a change to the current operating terms whereby the service will be offered free to the user, with the transaction costs absorbed by East Herts Council, be approved.

1.0 Background

1.1 East Herts' retail and leisure sectors perceive the Council's pay and display regime as a vitiating factor in the viability of their businesses at a time when these sectors are under threat. They have suggested that shoppers and leisure users sometimes cut short their time in our towns because they are concerned their parking time will expire. Many retailers and leisure providers see the only answer to this to be a move towards a 'pay on exit' system of car park management.

1.2 Pay on exit would require considerable capital expenditure. On the principle that the 'user pays', this would have to be recouped through the imposition of considerably higher charges to the users.

1.3 As an alternative, in 2011 the Council piloted a 'pay by phone' service, 'RingGo', which offers a number of the benefits of a pay on exit system. Perhaps the most significant of these benefits is the facility for the motorist to top up their parking time by phone, subject to some minor conditions. Although not extensively promoted, the pilot has proved successful and 1.8% of all pay and display transactions are now made using 'RingGo'.

1.4 In the interest of supporting local traders and thus the economic wellbeing of our towns, the Portfolio Holder proposes to extend and promote this service more widely. Specifically, it is proposed the scheme is extended for the remainder of 2012/13 and possibly through 2013/14 on revised terms whereby the 20p transaction cost, currently borne by the motorist, is absorbed by the Council. This will effectively make the service free at the point of use, although the motorist will remain responsible for their mobile phone call charge and for any optional text messages they elect to receive. (These optional messages are a text to confirm the transaction and a warning text shortly before paid for time is due to expire. Each currently costs the user 10p).

2.0 Report

2.1 The 2012/13 costs of the revised approach outlined in (1.4) above are estimated at £4,500 to fund the required change to car park signage and up to £6,000 to fund the absorption of the 20p transaction charge. A report to the Executive on 19 June 2012 detailed a number of projects to be funded by New Homes Bonus. A number of these have yet to commence and the 2012/13 New Homes Budget is therefore not fully committed. In view of the clear economic wellbeing aspects of this service it is proposed that an element of 2012/13 New Homes Bonus funding is deployed to finance the development and continuation of this service as described, until the end of the current financial year.

2.2 The Council will wish to assess the effect on service take-up following this significant change; therefore, it is proposed that a separate growth bid for £16,000 will be put forward to cover the estimated additional cost to the Council of providing the service throughout 2013/14. This would be sufficient to fund a possible expansion in use of 'RingGo' from the current 1.8% of all transactions to approximately 4.0% of all transactions. Officers would then anticipate tendering for the permanent provision of a 'pay by phone' service towards the end of 2013/14.

2.3 Officers would expect to work closely with town council partners, chambers of commerce and, where appropriate, individual retailers, to promote the beneficial aspects of 'RingGo. Its potential to allow motorists to top up their parking time from a remote location may be particularly valuable, as this delivers many of the benefits retailers believe necessary to support the local economy.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Economic Development Strategy Revision Report to the Executive – 19 June 2012 available at:

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=119&MId=2043&Ver=4>

Contact Member: Councillor P Phillips
Executive Member for Economic Development
paul.phillips@eastherts.gov.uk

Contact Officer: George A Robertson
Chief Executive and Director of Customer and
Community Services
Extn. 1410
george.a.robertson@eastherts.gov.uk

Report Author: Andrew Pulham – Parking Manager
andrew.pulham@eastherts.gov.uk